

**Department of Personnel Administration  
Memorandum**

**TO: Personnel Management Liaisons (PML)**

<b>SUBJECT:</b> Retired Annuitant Hiring Process	<b>REFERENCE NUMBER:</b> 2005-010
<b>DATE ISSUED:</b> 03-11-05	<b>SUPERSEDES:</b>

This memorandum should be forwarded to:

**Personnel Officers  
Personnel Transactions Supervisors**

**FROM:** Department of Personnel Administration  
Policy and Operations Division

**CONTACT:** Personnel Services Branch  
(916) 323-3343  
Fax: (916) 327-1886  
Email: [psb@dpa.ca.gov](mailto:psb@dpa.ca.gov)

This memo describes a change in the process for hiring retired annuitants under Government Code Section 21224, effective January 1, 2005. This change resulted from passage of SB 1439 (Chapter 398, Statutes of 2004).

Existing law (Government Code Section 21224) allows a person retired from State service to be rehired by the State as a retired annuitant and work up to 960 hours in a calendar year without the loss of retirement benefits.

SB 1439 amended Section 21224 to preclude a retired annuitant from returning to State employment if, during the 12-month period prior to the appointment, the retired annuitant received unemployment insurance based on State employment as a retired annuitant. This new law covers all State departments and other public employers that provide retirement benefits under CalPERS.

The new law does **not** apply to the following situations:

- First time an employee is appointed as a State retired annuitant (it only applies to subsequent State annuitant hires under Section 21224).
- Unemployment insurance was received as the result of employment with a private employer (such as a registry or a retailer).
- Unemployment insurance was received as the result of employment with a public employer who does not provide retirement benefits under CalPERS.

This change in the law is intended to prevent retired State employees from collecting three public stipends: a CalPERS retirement allowance, State salary, and unemployment insurance.

### ***New Process***

The Department of Personnel Administration, CalPERS, and the Employment Development Department (EDD) worked together to develop the following new process for hiring retired annuitants under Section 21224. This new process requires you to provide such retired annuitant hired after January 1, 2005, with two forms, which must be completed by the employee. Keep both completed forms in the employee's personnel file for audit purposes.

**DPA Form 715** (click on link to access it on DPA's Web site) is a self-certification form that requires the retired annuitant to certify whether or not he/she has received unemployment insurance.

- If a person applies for reemployment as a retired annuitant with the State, and self certifies that he/she received unemployment insurance based on prior State employment as a retired annuitant, this person is ineligible for employment with the State for 12 months after the date of the last unemployment insurance payment.
- If a person already has been appointed as a retired annuitant with the State on or after January 1, 2005, and this employee certifies that he/she received unemployment insurance from a CalPERS-covered employer prior to the appointment (or EDD later verifies that the person received unemployment insurance), you must separate this employee at the end of the pay period; this person will be ineligible to return to work with the State for 12 months.

**EDD Form DE 1181** (click on link to access it on EDD's Web site) authorizes EDD to release to State employers the retired annuitant's records regarding unemployment insurance payments. The form includes processing instructions and EDD contact information.

EDD anticipates it will take 10 to 30 days to process each Form DE 1181 and return the information to the inquiring department. While the EDD form is being processed, your department may hire a retired annuitant who certifies on DPA Form 715 that he/she has not received unemployment insurance payments.

### ***Questions***

Personnel staff with questions on unemployment issues or Form DE 1181 should contact EDD at (714) 283-6874 or (714) 736-3000. If you have questions about this memo, contact DPA's Personnel Services Branch at the phone number or e-mail provided at the top of this memo.

/s/Jerri Judd

Jerri Judd  
Program Manager